

## MMS Alaska OCS Region

# Focus Sheet

### REVENUE SHARING

The Minerals Management Service has been given the responsibility for protecting the natural resources of the outer continental shelf (OCS) while managing its mineral resource development and distributing revenues from royalties and fees from lessees. These revenues are disbursed as required by law, including distribution to several funds that benefit individual states, localities and tribes, and the nation as a whole.

OCS leasing revenues are used to maintain the following Federal funds for further allocation to individual States and Tribal organizations:

<u>Fund/ Appropriation</u>	<u>Total to the State of Alaska in</u> <u>Millions of \$</u>
Outer Continental Shelf Lands Act Section 8(g) Disbursements	\$510
Coastal Impact Assistance Appropriations	\$12.2
Land and Water Conservation Fund	\$28.9
National Historic Preservation Fund	\$10.6
Tribal Preservation Fund	\$2.4
<b>GRAND TOTAL</b>	<b>\$564 Million</b>

The remaining revenues generated from OCS leases off Alaska go into the U.S. Treasury General Fund.

Following is an explanation of these funds and some statistical information on the monies that have been distributed to the State of Alaska, Alaska Native organizations, and local communities from the various funds.

#### **Section 8(g) payments to the State of Alaska total over \$510 Million**

Section 8(g) refers to the section of the Outer Continental Shelf Lands Act (the Act) amendments of 1978 that provides for the Federal government to pay to coastal States a percentage of the revenues from the leasing and development of Federal offshore areas that conjoin State offshore areas. In Alaska that area is located between 3 and 6 miles seaward of the State of Alaska's coastline.

In 1985 Congress amended the Act again to set out a schedule of payments to the State from an escrow fund established to receive these monies until a formula for dividing the revenues was agreed upon between the Federal government and the States. The formula provides for payment to the States of 27 percent of all revenues derived from Federal leasing in this 3-mile wide band of submerged lands.

What does the State of Alaska do with the Section 8(g) money it receives from MMS?

- 50 percent goes to the Alaska Permanent Fund Account
- 0.5 percent to the school fund
- 49.5 percent (excluding 49.5 percent from rental payments) to the Alaska Constitutional Budget Reserve Fund
- 49.5 percent from rental amounts to Alaska's Unrestricted General Fund

**The State of Alaska has received more than \$28.9 million from the  
Land and Water Conservation Fund**

The Land and Water Conservation Fund Act of 1965 requires the National Park Service to keep at least \$900 million in the fund each fiscal year. Since 1971, Federal offshore revenues have provided about 90 percent of this money. The law provides for a system of funding for Federal, State, and local parks and conservation areas. It gives States and local governments incentives to plan and invest in their own park and recreational use systems.

In addition to funding State and local projects, the National Park Service has spent over **\$39.1 million** in the State of Alaska for acquisition of federal parks and recreation areas.

Projects in the North Slope Borough funded through the LWCF include the Bobby Fischer Field, the Manuluk Playground, and Piuraagvik Park in Barrow.

For more information on this program and the grant process you can contact:

Alaska Department of Natural Resources  
Division of Parks and Outdoor Recreation  
State Historic Preservation Officer  
550 W 7<sup>th</sup> Avenue, Suite 1310  
Anchorage, AK 99501-3565  
(907) 269-8721  
judyb@dnr.state.ak.us

Additional information is available on the world wide web at [www.nps.gov.crweb1/lwcf](http://www.nps.gov.crweb1/lwcf).

**The State of Alaska has received more than \$10.6 million from the  
National Historic Preservation Fund**

Some of this money has been used for grants to local communities. Revenues from Federal offshore mineral leases sustain this Fund at \$150 million. The law specifies how annual appropriations of the fund support matching grants to the States and the National Trust for Historic Preservation. Each State in turn must award 10 percent of its annual fund allocation to certified local governments as sub-grants. Since 1968 over \$1 billion in grant funds have been awarded to States, territories, Tribal organizations, local governments, and the National Trust for Historic Preservation.

Additional information is available at the above address for the State Historic Preservation Officer and at [www2.cr.nps.gov/hpf/hpf-fund.htm](http://www2.cr.nps.gov/hpf/hpf-fund.htm).

**Alaska Native groups have received more than \$2.4 million from the  
Tribal Preservation Program**

This program assists Native Americans in preserving their historic properties and cultural traditions and is administered by the National Park Service. The program is dedicated to working with Indian tribes, Alaska native groups, Native Hawaiians, and national organizations to preserve and protect resources and traditions that are of importance to Native Americans. The training opportunities and grant awards of the program provide assistance to Native American communities interested in protecting their cultural heritage. For more information on this program you can contact

Tribal Preservation Program  
Heritage Preservation Services  
National Park Service  
1849 C Street, NW, NC200  
Washington, DC 20240  
Phone: Bob Ruff (202) 343-9572

Information on grants, applications, and background information is available on the world wide web at [www2.cr.nps.gov/tribal/index.htm](http://www2.cr.nps.gov/tribal/index.htm)

For the 2000 fiscal year, the Village of Barrow received a \$48,915 grant from this program for *Documenting Commercial Whaling History in the Western Arctic from the Inupiat Perspective*.

#### **Coastal Impact Assistance Program (CIAP)**

**Alaska received a one-time appropriation of \$12,208,723. \$7,935,670 was allocated to the State and \$4,273,053 was divided among coastal political subdivisions**

The most recently enacted legislation that provides funds to the State from Federal offshore mineral leasing revenues is the Coastal Impact Assistance Program which has its roots in the Conservation and Reinvestment Act (CARA) which did not pass into law. As a compromise, the OCSLA was amended to include the coastal impact assistance program. The program

authorizes a one-time appropriation of \$150 million to be divided among the seven states with offshore oil activities. The State of Alaska is included. These coastal community funds will be distributed to the eligible communities based on the formula set out in the law. The North Slope Borough allocation is \$1,939,680.

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#### **For More Information**

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